

ARIZONA

REAL ESTATE BULLETIN

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On-line Edition

Draft of 1998 Rules Package now available

The Department has published a draft of its 1998 Rules Package which contains substantial amendments and additions to the Commissioner's Rules.

The complete text of the 54-page document can be found on the Department's World Wide Web site at www.adre.org on the "Late-Breaking News" page, or can be inspected at the Department's offices in Phoenix or Tucson.

A final draft of the Rules Package will be published on the Department's Web site when it is submitted to the Governor's Regulatory Rules Committee, probably in June. At that time, the Department will announce the time, date and location of public hearings at which interested parties may comment on the proposed changes. The Department is required to have the new rules in place before the end of the year."

The following is a brief summary of the contents of the draft Rules Package:

ARTICLE 1. GENERAL PROVISIONS

R4-28-101 (formerly "Filing and Notices") has been changed to "Definitions." Nine definitions have been proposed which amplify those in

A.R.S. § 32-2101.

R4-18-102 (formerly "Department Action") has been changed to "Document Filing; Computation of Time" and describes the computation of any period of time prescribed or allowed by the Commissioner's Rules or an order of the Commissioner.

R4-18-103 (formerly "Fingerprinting") has been changed to "Licensing Time Frames." The rule establishes time frames for Department action in the areas of licensing transactions, school approval, course approval, instructor approval, approval of advertising, processing a development application and development plan change.

R4-28-104 This new section establishes fees for processing licensing and development applications and inspection fees.

Of special note is the imposition of a \$100/month penalty for late license renewal. This change is proposed to make the rules conform to an amendment to Senate Bill 1150, introduced by the Arizona Association of Realtors®, which will establish the late penalty and shorten the grace period (the period after which an expired license may be renewed) from one year to six months. The Department has been no-

tified that AAR plans to modify the amendment to change the penalty from \$100 per month to a \$100 regardless of when the late application is filed within the six-month grace period. The Department does not oppose either amendment.

If the legislative amendment is not enacted, the late fee will be increased from the present \$10 to an amount within the range presently permitted by statute.

ARTICLE 2. DEFINITIONS -- REPEALED

R4-28-201 ("General Definitions") is repealed, replaced by R4-28-101, and superseded by statute.

ARTICLE 3. (formerly "License Applications: Types, Regulations") has been changed to "LICENSURE."

R4-28-301 Now "General License Requirements," the rule revises information which shall be submitted when applying for a Department-issued license.

R4-28-302 contains revised requirements for the information which must be submitted when applying for an employing, designated, or non-resident broker's license.

R4-28-303 revises requirements for license re-

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More than 50 real estate brokers named as conducting unlicensed mortgage broker activity

The State Banking Department has notified the Department of Real Estate that it has evidence that at least one mortgage broker has induced more than 50 Arizona real estate brokers to enter into agreements to take loan applications from property buyers then send them to the mortgage broker. In exchange, the real estate broker is paid a fee.

Unless the real estate licensee is

licensed as a mortgage broker, or is an employee, officer, director, member, partner or trustee of a mortgage brokerage, the practice is a violation of State banking and real estate statutes. The Banking Department can issue a Cease and Desist Order against real estate brokers conducting this practice. If found guilty of unlicensed mortgage broker activity, they can be assessed civil (monetary) penalties

imposed by both the Banking Department and the Department of Real Estate, as well as other Department of Real Estate Sanctions which could include license suspension or revocation.

Dorothy Dumnich, Division Manager for the Banking Department's Mortgage Lending Division, said "I've seen a couple different contracts the

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Rules Package

Continued from page 1

newal, reinstatement and license changes.

R4-28-304 (which formerly described partnership license requirements) now describes information a designated broker must submit for each branch office; describes the actions which may be performed by a branch office manager, and clarifies the requirements for a temporary office.

R4-28-305 (formerly "Corporations: licenses; requirements") now addresses the requirements for a temporary cemetery salesperson's license, temporary broker's license, and a membership camping salesperson's certificate of convenience.

ARTICLE 4. EDUCATION

R4-28-401 is rewritten to clarify the conditions under which the Commissioner may grant a waiver of precursory education requirements.

R4-28-401.1 describes the conditions under which the Commissioner may grant a waiver of continuing education requirements.

R4-28-402 makes minor modifications to the requirements for license examinations.

R4-28-403 makes substantial changes in requirements for real estate school requirements, course and instructor approval.

ARTICLE 5. ADVERTISING

R4-28-501 is repealed.

R4-28-502 is revised to clarify acceptable advertising by salespersons and brokers.

R4-28-503 is revised to clarify acceptable promotional activities.

R4-28-504 is revised to clarify acceptable advertising by real estate developers.

ARTICLE 7. COMPENSATION

R4-28-701 has been amended to permit a person licensed as a real estate broker in another state and who "co-brokers" a transaction to share compensation from the transaction with an Arizona employing broker.

ARTICLE 8. DOCUMENTS

R4-28-801 (Sales Listing Agreements) is repealed.

R4-28-802 (shortened to "Conveyance Documents") is amended to clarify language. Among the changes, a salesperson or broker may voluntarily advise a seller or lessor of offers after a listing agreement has terminated. It also imposes new requirements on documentation to be furnished a buyer by cemetery and membership camping brokers.

R4-28-803 (shortened to "Contract Disclosures") is amended to revise the public report requirements, earnest money disclosures, and requires a warning about the possible loss of earnest money deposits placed in an operating account pursuant to an agreement or contract for the sale or lease of lots in a development.

R4-28-804 revises the language describing a purchaser's or lessee's rights to rescission in the purchase or lease of an unimproved, subdivided lot or time-share interval.

R4-28-805 has been added to specify the language of the receipt for a public report.

ARTICLE 10. FRANCHISES AND FICTITIOUS NAMES

R4-28-1001 has been amended to revise franchise and fictitious name requirements.

ARTICLE 11. PROFESSIONAL CONDUCT

R4-28-1101 contains minor changes to clarify language.

ARTICLE 12. DEVELOPMENTS

This article has been substantially enlarged to address the content required in development applications and other subdivision requirements. Developers and subdividers should read this article carefully.

ARTICLE 13. ADMINISTRATIVE PROCEDURES

This article has been substantially amended to bring it in line with amendments to administrative procedures contained in the Arizona Revised Statutes.

Illegal mortgage activity

Continued from page 1

brokers are being asked to sign. Some of them use the words "employer" and "employee," but when you read the substance of the contract, it's clear that the real estate broker would be an independent contractor, and if they conduct this sort of business, they are performing the duties of a mortgage broker without a license."

She added that a few real estate brokers have called her to ask whether the practice is legal. "I'm glad they are enlightened enough to call. I explained to them that it is not legal," she said.

According to real estate statutes (A.R.S. § 32-2155(C)), "A real estate broker or salesperson shall not collect compensation for rendering services in negotiating loans secured by real property unless all of the following apply:

1. The broker or salesperson is licensed [as a mortgage broker] or is an employee, officer or partner of a corporation or partnership licensed [as a mortgage broker].
2. ...has disclosed to the person from whom the compensation is collected that the broker or salesperson is receiving compensation both for real estate brokerage, when applicable, and for mortgage broker services.
3. The compensation does not violate any other state or federal law."

Real estate licensees who are licensed mortgage brokers, or bona fide employees, officers, directors, members, partners or trustees of a licensed mortgage broker, may accept loan applications and submit them to a mortgage company, but if they do so, they must disclose to the purchaser that they are receiving compensation for mortgage broker services.

Real estate licensees who receive such a solicitation from a mortgage company should report it to Ms. Dumnich at (602) 255-4421, extension 119. Her fax number is (602) 381-1225. The Banking Department is located at 2910 N. 44th Street, Suite 310, Phoenix AZ 85018. Alternately, the licensee may report the solicitation to the Department of Real Estate. Call Cynthia Ferrin at (602) 468-1414, extension 100. The Department is located at the same address in suite 100.

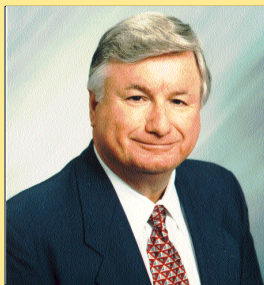
Department ends 'closeout' and 'courtesy' audits

In the past, the Department has conducted audits of real estate brokerages at the request of the broker or owner selling the business (closeout audit), or when the broker or owner just wanted to make sure everything was in order (courtesy audit).

The Department does not have the

staff to continue these audits but will continue to conduct random audits of real estate brokerages, and may initiate an audit as part of an investigation of alleged violations of real estate statutes or Commissioner's Rules.

You may, of course, have an accounting firm audit your books.



Jerry Holt

News From The Commissioner

1998 Customer Service Survey

The results of an ADRE customer service survey, conducted among 2,127 people, are in, and they tell us the Department is doing well in regulating the real estate industry and serving our customers.

The survey was sent at random to licensees, legislators, Boards and Associations of Realtors®, planning and zoning officials, attorneys, subdividers and developers, title company officers and real estate schools and instructors. We received 611 responses, a number our statistician tells me can be relied on to reflect the opinions of our customers as a whole.

Among those who responded, 84.9 percent said they feel Department regulation of the industry is fair and appropriate, virtually the same number as measured in a similar survey four years ago, but substantially more than the 62.5 percent who felt regulation was fair and appropriate in 1989.

Of those responding, 3.5 percent thought regulation was too harsh. This compares to 10.8 percent in 1989 and 6.1 percent in 1994.

In the past year, our Customer Service Division answered 77,461 telephone calls and served 1,144 walk-in visitors. Respondents were asked to rate the Division's ability to answer questions satisfactorily on a scale from 1 (excellent) to 5 (unsatisfactory). Of those responding, 97.4 rated the Division's performance as 1 to 3.

Overall, respondents said every Division was doing a good job. Several employees were singled out as providing outstanding service to our customers.

But there were negative comments, too. Many of you do not like our telephone system and some of you complained that some employees don't return phone calls promptly. You told us about instances in which some of our Divisions have been unresponsive to your needs. Many of you feel the De-

partment should do something to weed the "amateurs" out of the real estate business. One respondent suggested that the State do away with the Department of Real Estate and let "the attorneys" handle everything.

We appreciate your comments, positive and negative. We are looking at them very carefully, and we'll do everything possible to correct the deficiencies you have called to our attention.

1998 Rules Package

I invite you to read the draft of proposed rules changes which could take effect before the end of the year. A brief summary is in the story that begins on page 1, and you can find the text (54 pages) on our web site at www.adre.org. For those of you who don't have web access, a copy is available for \$15. Mail your check payable to ADRE to the attention of Cindy Ferrin, Customer Service Division, ADRE, 2910 N 44th Street, Phoenix AZ 85018. Your comments about the proposed changes would be appreciated as soon as possible. We plan to submit the package to the Governor's Regulatory Reform Committee in about a month, and substantive changes after that time will be difficult. We also plan public meetings in Phoenix and Tucson to solicit comments on the proposed changes. You may send your comments to Cindy Wilkinson at our Phoenix address, or to her by e-mail at cwilkinson@adre.org.

During the period from July 1, 1996 through June 1, 1997, the Department provided the following services:

CUSTOMER SERVICES

Complaint forms mailed	1,585
Written responses	1,325
Other forms mailed	6,575
Telephone calls answered	77,461
Walk-in customers	1,144

LICENSING

Original salesperson licenses issued	3,939
Original broker licenses issued	640
Salesperson renewal applications received	10,765
Broker renewal applications received	4,843
Change forms processed	22,207
Fingerprint cards processed	4,537

EDUCATION

Broker examinations administered	837
Salesperson examinations administered	5,873
Education courses monitored	304
Continuing education courses approved	302
Instructor resumes approved	138
Entities offering approved courses	
Private schools	46
Colleges and universities	11
Boards and Associations of Realtors®	19
Other	14
Telephone calls answered	3,417

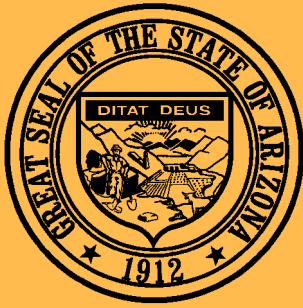
Walk-in customers	395
Active and inactive licensees (12/31/97)	
Salespersons	36,514
Brokers	12,618
Corporate	3,719
Total	52,851

INVESTIGATIONS

Complaints received	
Public Assistance Requests	830
Investigations initiated	447
Cases closed	504
Telephone calls	7,414
Walk-ins	611
AUDITING	
New audits	591
Re-audits	4
Audit clinics held	42

SUBDIVISIONS

Applications for Public Report (subdivided land)	590
Applications for Public Report (unsubdivided land)	38
Conditional sales exemptions	537
Special order of exemption	32
Subsequent owner exemption	255
Lot reservations	267
Telephone calls answered	12,334
Walk-in customers	1,459
Public assistance activity	5,509



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1998 Schedule of Broker Audit Clinics

A.R.S. § 32-2136 requires all newly licensed real estate brokers to attend a Broker Audit Clinic presented by the Department within 90 days of issuance of their original broker's license. *Effective July 21, 1997, all designated real estate brokers must also attend a Broker Audit Clinic within 90 days after becoming a designated broker unless the broker has attended an audit clinic during the broker's current licensing period.* All designated brokers shall attend a broker audit clinic once during every four-year period after their initial attendance.

Seating is limited and reservations are required. To make a reservation for a Phoenix clinic, call the Department's Customer Services Division at (602) 468-1414, extension 100. In Tucson, call (520) 628-6940. Those who fail to make reservations will be turned away if seating is not available. Brokers who attend will receive three hours of continuing education credit in the category of Commissioner's Rules.

The following is the schedule of Clinics to be offered in Phoenix and Tucson during the remainder of 1998. Additional clinics may be scheduled from time to time at other locations in Phoenix and in rural areas.

PHOENIX

Industrial Commission Auditorium
800 W. Washington

Noon - 3 p.m.

April 17
May 15
June 19
July 17
August 21
September 18
October 23
November 20
December 18

TUCSON

State Office Building
400 W. Congress
Room 158

8:30 a.m. - 11:30 a.m.

April 16
May 7
June 11
July 16
August 20
September 17
October 22
November 19
December 17

The mission of the
Arizona Department of Real Estate
is to safeguard and promote the public interest
through timely and capable assistance,
fair and balanced regulation,
and sound and effective education.

ADMINISTRATIVE ACTIONS

REVOCATIONS

H-1929

Cindi H. Eagleton, aka Cindy Shuster, aka Cindi Shuster Crown King

DATE OF ORDER: January 6, 1998

FINDINGS OF FACT:

The Commissioner has reviewed the judgment entered February 10, 1997, by Judge Robert Broomfield of the U.S. District Court in and for the State of Arizona, Cause No. CR-95-449-02-PHX-RCB resulting from respondents indictment on charges that she prepared false documents for submission to the Resolution Trust Corporation (RTC) in connection with the purchase of RTC properties. Respondent was sentenced to imprisonment for a term of four months followed by 36 months supervised release and was prohibited from engaging in real estate activities.

DISPOSITION: Respondent's real estate broker's license is revoked effective February 10, 1997.

H-1916

Marcos Antonio Carrasco Tucson

DATE OF ORDER: February 12, 1998

FINDINGS OF FACT: Respondent was issued an original real estate salesperson's license in July 1990. The license expires July 31, 1998.

Respondent failed to disclose in renewal applications submitted in 1992, 1994 and 1996 that he had been convicted of DUI in 1984, 1991, 1992. In addition, he was convicted again for DUI in February 1997 while his driver's license was suspended or revoked, a class four felony, and that as a result he was imprisoned for four months by the Arizona Department of Corrections. Respondent will remain on supervised probation until August 2002.

VIOLATIONS: Respondent has been convicted of a felony in violation of A.R.S. § 32-2153(B)(2). Respondent procured a real estate salesperson's license by filing renewal applications which were false or misleading and failed to disclose three prior DUI convictions, in violation of A.R.S. § 32-2153(B)(1).

DISPOSITION: Respondent's real estate salesperson's license is revoked. Respondent is assessed a civil penalty in the amount of \$2,000

H-1914

Kit Zinser Rodgers Tucson

DATE OF ORDER: March 30, 1998

FINDINGS OF FACT: Respondent was issued an original real estate salesperson's license in November 1996.

In her license application, Respondent failed to disclose that she had been convicted in July 1994, in Alabama, for the crime of negotiating worthless instruments.

Further, Respondent's license was suspended on July 25, 1997, for her failure to provide certification of completing six hours of continuing education in real estate contract law and contract writing.

VIOLATIONS: Respondent's failure to disclose

her conviction for negotiating worthless instruments constitutes a material misrepresentation and thus a false application in violation of A.R.S. § 32-2153(B)(1). The crime of Negotiating Worthless Instruments is determined to be a crime involving intentional dishonesty and fraudulent intent and, as such, should properly be viewed as a crime of moral turpitude within the meaning of A.R.S. § 32-2153(B)(2).

Respondent's actions show she is not a person of honesty, truthfulness and good character within the meaning of A.R.S. § 32-2153(B)(7). DISPOSITION: Respondent's real estate salesperson's license is revoked. Respondent is assessed a civil penalty in the amount of \$2,000.

CEASE AND DESIST ORDER

H-1933

Susan Rae Thatcher dba Thatcher's Desert West Realty Sierra Vista

FINDINGS OF FACT: Thatcher was issued an original real estate broker's license on March 14, 1979. On July 25, 1997, the Department issued an Order (No. H-1896) summarily suspending Thatcher's real estate broker's license. On September 15, 1997, the Department issued a Final Order revoking Thatcher's real estate broker's license.

In October 1997, Department Investigator Darryl Churchill served Thatcher personally with a certified copy of the Final Order. He further took possession of Thatcher's real estate license and instructed her to immediately cease all real estate activity and close trust accounts. Thatcher agreed to comply and notify her clients.

As of November 24, 1997, Thatcher's real estate business was still in operation. Since the time her license was revoked, Thatcher has co-brokered three sales transactions.

Thatcher had engaged another licensed real estate broker to act on her behalf for Thatcher Desert West Realty, as per A.R.S. § 32-2127(D), during Thatcher's recent absence from her office. This broker has conducted real estate activities on Thatcher's behalf, not knowing Thatcher's license had been revoked.

Since the time her license was revoked, Thatcher has received rent payments from several tenants at properties that she continued to manage.

According to records provided by the Sierra Vista Area Association of Realtors®, Thatcher had 26 open listings and 10 listings under contract. In addition, the records show that three transactions had closed after Thatcher's license was revoked. A random audit of three of 26 open listings reveals that "For Sale" signs were displayed to the public on properties indicating that Thatcher's Desert West Realty represented the sellers of such properties.

The above acts by Thatcher constitute violations of A.R.S. §§ 32-2122(B), 32-2154(A) and 32-2165(A) and (B).

On December 30, 1997, the Commissioner entered Cease and Desist Order No. CD97-0001 against Thatcher, (1) Directing that the Cease and Desist Order referenced above re-

main in full force and effect and that Respondent immediately cease and desist from any and all activity requiring licensure under Arizona Revised Statutes, Title 32, Chapter 20 and/or from making false representations that she is able to legally act as a real estate or other licensee under Arizona Revised Statutes, Title 32, Chapter 20;

(2) Directing that Respondent Susan Rae Thatcher immediately return all previously issued real estate license certificates in her possession to the Department.

Respondent subsequently appealed the Cease and Desist order, and then on March 10, 1998, withdrew her request for an appeal.

SUSPENSIONS

H-1911

Donna L. Ivie Phoenix

DATE OF ORDER: January 21, 1998

FINDINGS OF FACT: Respondent was issued an original real estate salesperson's license in August 1982. The license expires on August 31, 1998.

From August 4, 1989 to November 4, 1994, Respondent was employed by ProAmerica Real Estate Company. Gary Nelson was the designated broker. At all times material to this matter, Respondent was the president of I.V. Co. Properties, Inc., an Arizona Corporation. I.V. did not hold any licenses issued by the Department and no designated broker was employed by I.V.

At all time material to this matter, Respondent had a specified ownership in I.V. No individuals were shown to have any ownership interest in I.V. other than Respondent.

At all times material to this matter, Respondent was also the president of Independent Realty, Inc., a Nevada corporation. Independent did not hold a real estate license issued either by Nevada or Arizona. Moreover, no designated broker was employed by Independent. Although Respondent had no ownership interest in this corporation, as president of the corporation she had full access to all monies received by the corporation.

In March 1994, Respondent located an apartment complex for sale in Arizona and executed an offer to purchase the property on behalf of I.V. Respondent utilized Independent for the purpose of finding another buyer for the property so that I.V. could sell the property at a profit.

A buyer for the property, Sun States Financial Group and the Walnut Grove Partnership was found by Independent who referred the buyer to Respondent acting on behalf of I.V. A double escrow was set up for the sale of the property in March 1994 wherein I.V. closed its escrow on the purchase and immediately turned around and sold the property to Walnut.

It was undisputed that neither ProAmerica Realty nor Respondent's designated broker, Nelson, had any role in the transaction or received any commissions from the transaction.

Evidence demonstrated that I.V. received

\$200,000 in fees or profits from Walnut for the sale of the property. I.V. retained \$50,000 and paid the remaining \$150,000 to Respondent.

Respondent characterizes the \$50,000 as "profit" and the \$150,000 as a "consulting fee."

Respondent contends that she was not acting as a real estate salesperson in the transaction. On the contrary, the evidence clearly supports a finding that Respondent, acting on behalf of I.V. and Independent, was acting in a manner not dissimilar to the normal activities of a real estate salesperson. She was locating, buying and selling property which is what real estate salespersons do. As a licensed real estate salesperson, she is not allowed to remove her real estate license from a real estate transaction whenever it suits her personal benefit.

Respondent's conduct in this transaction is found to constitute a wilful disregard of her duties and responsibilities as a licensee in violation of the applicable charged sections of the State real estate statutes.

VIOLATIONS: Respondent received profit and compensation in violation of A.R.S. § 32-2153(A)(10), namely A.R.S. § 32-2155(A). The conduct of Respondent in sharing a commission with an unlicensed entity and in not having this real estate transaction proceed through the broker under which she was licensed constitutes a dishonest dealing within the meaning of A.R.S. § 32-2153(B)(5). The actions and conduct of Respondent show she is not a person of honesty, truthfulness and good character within the meaning of A.R.S. § 32-2153(B)(7).

DISPOSITION: Respondent's real estate salesperson's license is suspended for one year. Respondent to pay a civil penalty in the amount of \$2,500.

CONSENT ORDERS

H-1931

Carol S. Hodesh and Embassy Properties, Ltd.

Phoenix

DATE OF ORDER: January 21, 1998

FINDINGS OF FACT: Respondent Hodesh was issued an original real estate broker's license in January 1978. Her license expired September 30, 1997. At all times material to this matter, Hodesh was acting as designated broker of Embassy Properties, Ltd., a corporation licensed as a real estate broker. Embassy was issued an original corporate real estate broker's license in March 1997. The license expires on March 31, 1999.

On August 5, 1997, the Department mailed new licenses to Embassy based on an address correction request from Hodesh. In her statement of November 25, 1997, Hodesh states that she did not receive the corrected licenses.

On November 26, 1997, Hodesh submitted her application for renewal of her broker's license, disclosing that she and Embassy continued to operate as a brokerage after her license had expired.

Between October 1, 1997 through November 26, 1997, Hodesh and Embassy provided real estate services for which a license is required after Hodesh's license had expired and while Hodesh and Embassy were not properly licensed to do so. Hodesh disclosed that during the unlicensed period, she and Embassy

had obtained one listing agreement, negotiated one purchase contract, executed five property management agreements and continued to manage approximately 267 properties under existing management agreements. During the unlicensed period Embassy and Hodesh received \$645 in commissions and \$20,310.23 in property management fees.

Hodesh attested that she though her license expiration date was the same as the expiration date of Embassy's corporate license. **VIOLATIONS:** Hodesh engaged in activities for which a current real estate license was required while not being licensed to do so, in violation of A.R.S. § 32-2153(B)(6). She continued to act as a real estate broker after her license expired and while her rights to act as such were terminated in violation of A.R.S. § 32-2130(B). She received compensation while her license was expired, in violations of A.R.S. §§ 32-2153(A)(10) and 32-2155(A). She failed to pay the Commissioner a renewal fee promptly and before the time specified, in violation of A.R.S. § 32-2153(A)(14). She demonstrated negligence in performing any act for which a license is required by continuing to work after her license expired in violation of A.R.S. § 32-2153(A)(22).

Embassy conducted real estate activities without a current designated broker, in violation of A.R.S. § 32-2122(B). Embassy received compensation while Hodesh's license was expired, in violation of A.R.S. §§ 32-2153(A)(10) and 32-2155(A) and (B). Embassy disregarded or violation provisions of Arizona Revised Statutes, Title 32, Chapter 20 within the meaning of A.R.S. § 32-2153(A)(3).

DISPOSITION: Hodesh and Embassy, jointly and severally, shall pay a civil penalty in the amount of \$1,000. Hodesh shall take three hours of approved real estate continuing education as directed by the Commissioner. Hodesh and Embassy shall offer to refund or not accept the commission earned by Hodesh after her license expired. Embassy shall ratify or release the property management agreements and listing agreement executed during the unlicensed period.

The current designated broker shall review and initial leases written during the unlicensed period.

Embassy shall develop, document and implement in-house procedures to track license expiration dates and to prevent recurrence of the violations cited herein. A copy of the written procedures shall be submitted to the Compliance Officer within 30 days of entry of this Order.

Embassy shall purchase a copy of the Arizona Real Estate Law Book.

Renewal of Hodesh's license is granted.

H-1924

Alfredo Gonzalez, dba Arroyo Realty Tucson

DATE OF ORDER: February 17, 1998

FINDINGS OF FACT: Respondent was issued an original real estate broker's license in June 1994. That license expires June 30, 1998. At all times material to this matter, Respondent was a self-employed broker doing business as Arroyo Realty.

On November 9, 1996, Respondent wrote

a purchase contract on behalf of Will Romano to purchase a home in Tucson from Yolva Urdiales. Respondent represented both the buyer and seller. Between November 9, 1996 and November 13, 1996, the contract between Urdiales and Romano was amended by adding Rodolfo Robles as an additional buyer.

Neither Robles nor Urdiales speak fluent English.

By addendum to the contract, Urdiales allowed the buyers to take possession and move into the home prior to close of escrow.

Although Respondent did not have a written property management agreement with Urdiales or a lease agreement with either Romano or Robles, Respondent collected \$1,000 in cash from Robles as rent for the months of December 1996 and January 1997. Respondent did not give the money to Urdiales.

In April 1997, Urdiales served Robles with an eviction notice for failure to make rent payments. In May 1997, Respondent paid Urdiales \$200 of the \$1,000 he had collected from Robles.

On May 21, 1997, in response to the Department, Respondent confirmed that the home was being rented to Robles pending close of escrow. Respondent further stated that the sale of the home did not close escrow because the buyers did not qualify for a loan.

On July 15, 1997, Respondent admitted he had collected \$1,000 from Robles for rent, and that he had paid Urdiales \$200 and kept the remaining \$800 for his own use due to financial problems.

On July 16, 1997, the purchase contract was canceled.

VIOLATIONS: Respondent failed to account for or remit monies to Urdiales within a reasonable time, in violation of A.R.S. § 32-2153(A)(9). He failed to keep a trust account or other records of funds entrusted to him, in violation of A.R.S. § 32-2153(A)(15). His retention, for personal use, of monies intended as rent payments in a transaction in which he was acting as a broker constitutes receipt of compensation in violation of Arizona Revised Statutes, Title 32, Chapter 20, within the meaning of A.R.S. § 32-2153(A)(10). He commingled the funds of his principal or client with his own, in violation of A.R.S. § 32-2153(A)(16). He failed to maintain a complete record of the transaction, in violation of A.R.S. §§ 32-2151.01(A) and (F) and 32-2153(A)(18). He pursued a course of misrepresentation and made substantial misrepresentations, within the meaning of A.R.S. §§ 32-2153(A)(1) and (B)(3). He has shown that he is not a person of honesty, truthfulness and good character, within the meaning of A.R.S. § 32-2153(B)(7). He disregarded or violated provisions of Arizona Revised Statutes, Title 32, Chapter 20, within the meaning of A.R.S. § 32-2153(A)(3).

DISPOSITION: Respondent's real estate broker's license is revoked. He shall not reapply for an Arizona real estate license for five years from the date of entry of this Order. Respondent to pay a civil penalty in the amount of \$2,000. Payment of the civil penalty is stayed unless and until Respondent applies for a license pursuant to Arizona Revised Statutes, Title 32, Chapter 20, at which time the civil penalty shall be paid in

full before the Department may accept the application.

H-1937

**Richard Howard Slatin and
Richland Investments, Inc.
Phoenix**

DATE OF ORDER: February 17, 1998

FINDINGS OF FACT: Slatin was issued an original real estate broker's license in March 1987. The license expired on November 30, 1997. At all times material to this matter, Slatin was designated broker of Richland Investments, Inc., a corporation licensed as a real estate broker. Richland was issued an original corporate real estate broker's license in November 1987. The license expired on November 30, 1997.

On December 22, 1997, Slatin, on his own behalf and on behalf of Richland, attempted to submit applications for renewal of their real estate broker's licenses. Because he disclosed that he and Richland had continued to act as brokers after the licenses expired, additional documentation was required. The completed applications for renewal were submitted January 2, 1998.

In the applications, Slatin disclosed that during the unlicensed period, he and Richland had executed a management agreement and negotiated a lease on the property, and had received \$675 in management fees and \$6,480 in commissions.

Slatin attested that his secretary forgot to mail the renewal package to the Department. VIOLATIONS: Slatin and Richland provided real estate services for which a license is required after expiration of their licenses and while not properly licensed to do so, in violation of A.R.S. § 32-2122(B). Slatin and Richland received compensation while their licenses were expired in violation of A.R.S. § 32-2153(A)(10). Slatin failed to pay the license renewal fee to the Department on or before the time specified, in violation of A.R.S. § 32-2153(A)(14). Slatin and Richland demonstrated negligence in performing any act for which a license is required by continuing to offer real estate services after their licenses expired, in violation of A.R.S. § 32-2153(A)(22). Slatin and Richland disregarded or violated provisions of Arizona Revised Statutes, Title 32, Chapter 20, within the meaning of A.R.S. § 32-2153(A)(3).

DISPOSITION: Slatin and Richland, jointly and severally, shall pay a civil penalty in the amount of \$500. Slatin shall take three hours of approved real estate continuing education in addition to hours required for renewal as directed by the Commissioner. Slatin and Richland shall offer to refund or not accept commissions which they earned after their licenses expired. Slatin shall develop and document in-house procedures to track current/active license status, and shall submit those procedures to the Compliance Officer within 30 days after entry of this Order. The renewal of Slatin's and Richland's licenses are granted.

H-1940

**Dave R. Hillger and D&I Enterprises, Inc.,
dba Investor's Broker
Mesa**

DATE OF ORDER: February 24, 1998

FINDINGS OF FACT: Hillger was issued an orig-

inal real estate broker's license in September 1965. His license expired on October 31, 1997. At all times material to this matter, he was the designated broker of D&I Enterprises (D&I), a corporation licensed as a real estate broker.

D&I was issued an original corporate real estate broker's license in October 1985. That license expired on October 31, 1997.

On February 6, 1998, Hilger submitted applications for renewal of his and D&I's licenses, disclosing that Respondents had earned \$2,949 in commissions and \$1,687 in management fees after expiration of their licenses.

Hilger attests he did not renew the licenses on time because he relied on the Department to mail renewal forms as a reminder.

VIOLATIONS: Between November 1, 1997 and February 6, 1998, Respondents provided real estate services for which a license is required after expiration of their licenses in violation of Arizona Revised Statutes, Title 32, Chapter 20 within the meaning of A.R.S. § 32-2153(B)(6). Respondents received compensation while their licenses were expired, in violation of A.R.S. § 32-2153(A)(10). Hilger failed to pay the biennial license renewal fee to the Department on or before the time specified, in violation of A.R.S. § 32-2153(A)(14). Respondents demonstrated negligence in performing any act for which a license is required by continuing to offer real estate services after their licenses expired, in violation of A.R.S. § 32-2153(A)(22). Respondents disregarded or violated provisions of Arizona Revised Statutes, Title 32, Chapter 20, within the meaning of A.R.S. § 32-2153(A)(3).

DISPOSITION: Respondents are jointly and severally assessed a civil penalty of \$500. Hilger shall take six hours of approved continuing education, in addition to hours required for license renewal, as directed by the Department.

Respondents shall offer to refund or not accept commissions which they earned after their licenses expired. Hilger shall develop and document in-house procedures to track current/active license status, and shall submit those procedures to the Compliance Officer.

Renewal of Respondents' licenses is granted.

H-1909

**Ronald D. Jones and Tuanchai Arspairin
Europe**

DATE OF ORDER: February 28, 1998

FINDINGS OF FACT: Respondents are not licensed as real estate brokers or salespersons pursuant to the provisions of A.R.S. § 32-2101 et seq. Respondents acted in concert to purchase, divide, offer for sale and sell six or more lots or parcels within Antelope Valley Ranches, and Sections 11 and 13 of Township 24 North, Range 10 West, G&SRB&M, in Yavapai County. Respondents operated out of offices located in Reno, Nevada.

Respondents' sales within Antelope Valley Ranches and Sections 11 and 13 constitute a subdivision offering within the meaning of A.R.S. § 32-2101, et seq. From approximately January 1994 to June 1996, Respondents, acting in concert, acquired and sold six or more lots in Antelope Valley Ranches and Sections 11 and 13. They executed sales through written agreements that were neither recorded nor otherwise

in compliance with the requirements of A.R.S. § 32-2185.01(A). Further, the written agreements failed to disclose the purchaser's right to receive a public report and/or to rescind the agreement, as required pursuant to A.R.S. § 32-2185.06.

Several of the sales of lands to or by Arspairin were conducted directly by Jones, acting under power of attorney from Arspairin. Further, Jones has represented to the Department that he and Arspairin were working together in conducting the purchases and sales.

Respondents did not notify the Commissioner in writing of their intention to offer or sell the lots, nor did they obtain the Commissioner's prior approval as required under A.R.S. §§ 32-2181(A) and 32-2183(E).

Pursuant to A.R.S. §§ 32-2181(B) and -2181.01, the Commissioner has not exempted Jones, Arspairin, or Antelope Valley Ranches, Section 11 or Section 13 from the provisions of A.R.S. § 32-2181 et seq.

To date, the Commissioner has not issued public reports approving the sale or lease of lots, parcels or fractional interests in Antelope Valley Ranches, Section 11 or 13 by Respondents. VIOLATIONS: Respondents acted in concert to create a subdivision in violation of A.R.S. § 32-2181(D) and promoted the offer and sale of subdivision lots through a common promotional plan within the meaning of A.R.S. § 32-2101(14), formerly A.R.S. § 32-2101(12), and also in violation of A.R.S. § 32-2181(D).

Respondents engaged in real estate activities requiring a public report without first filing the notice required by A.R.S. § 32-2181(A) and without first obtaining a public report, in violation of A.R.S. § 32-2183(E).

Respondents employed agreements or contracts for the purchase of subdivided land, which agreements failed to disclose a purchaser's right to receive a public report and/or to rescind the agreement, in violation of A.R.S. § 32-2185.06.

DISPOSITION: Respondents shall comply with the subdivision requirements of Yavapai County and the State of Arizona. They shall have 180 days from the date of entry of this Order to submit to the Department a complete application for a public report with respect to all lots in Antelope Valley Ranches and Sections 11 and 13, which are or were owned by Respondents. This period may be extended by the Department's Compliance Officer for good cause shown.

Respondents shall submit to the Compliance Officer, within 30 days of the entry of this Order, a list of the names of each person to whom a lot was sold. Upon issuance of a public report to Respondents, Respondents shall offer rescission to all persons who purchased lots from either of them in Antelope Valley Ranches, Section 11 or 13.

Respondents are each assessed a \$7,000 civil penalty for which each shall be jointly and severally liable.

H-1938

**Karen L. Trevino and ERA Four Feathers Realty, L.C., and in the matter of the real estate salesperson's license of Brian Viche
Sierra Vista**

DATE OF ORDER: March 3, 1998

FINDINGS OF FACT: ERA Four Feathers is a limited liability company licensed as a real estate broker. That license expires November 30, 1998 Trevino was issued an original real estate broker's license in August 1993. At all times material to this matter, Trevino was designated broker for Four Feathers.

Viche was originally licensed as a real estate salesperson in September 1991. His license expired on September 30, 1997. He submitted a late renewal application on December 30, 1997.

While his license was expired, Viche wrote two contracts and was paid \$4,893.88 in commissions and Four Feathers was paid \$3,186.12 in commissions.

In explanation, Trevino stated that the wrong expiration date for Viche's license had been entered in their computer records, and that they had recently lost the office coordinator and have not been able to replace her. Viche states that his license certificate is held by the broker and he did not receive notice of his license expiration.

As an aggravating factor, Trevino allowed Four Feathers' entity license to expire on November 30, 1996, and did not renew it or rehire its employees until December 17, 1996.

VIOLATIONS: Viche engaged in activities for which a real estate license is required pursuant to A.R.S. § 32-2122(B) while not licensed to do so. He received compensation for real estate activities performed while his license was expired, in violation of A.R.S. §§ 32-2153(A)(10) and 32-2155(A). He failed to pay the Department the biennial renewal fee promptly and before the time specified, in violation of A.R.S. § 32-2153(A)(14).

Four Feathers and Trevino employed and paid compensation to a real estate salesperson whose license was expired, in violation of A.R.S. §§ 32-2153(A)(6), (A)(10) 32-2155(A). Trevino, as designated broker for Four Feathers, failed to exercise reasonable supervision over the activities of a licensee under its employ in violation of A.R.S. § 32-2153(A)(21). Respondents have disregarded or violated provisions of Arizona Revised Statutes, Title 32, Chapter 20, within the meaning of A.R.S. § 32-2153(A)(3). **DISPOSITION:** Viche's license renewal is granted upon entry of this Consent Order. Trevino and Four Feathers, jointly and severally, are assessed a civil penalty of \$1,000. Viche is assessed a civil penalty in the amount of \$500.

Viche and Trevino shall each take six hours of approved real estate continuing education, in addition to hours required for license renewal, as directed by the Department.

Respondents shall offer to refund commissions paid to Viche and Four Feathers for Viche's activities while he was not licensed.

Trevino shall develop, document and implement in-house procedures to track license expiration dates and to prevent a recurrence of the violations cited herein. A copy of the written procedures shall be submitted to the Compliance Officer.

H-1942

**Robert C. Banovac
and Westpac Properties, Inc.**

Glendale

DATE OF ORDER: March 19, 1998

FINDINGS OF FACT: Banovac was issued an original real estate broker's license on July 14, 1989. The license expires July 31, 1999. At all times material to this matter Banovac was designated broker for Westpac Properties, Inc., a corporation licensed as a real estate broker.

Darryl Trapp does not hold an Arizona real estate salesperson's or broker's license. At all times material to this matter, Trapp was the owner of B&B Inns, Inc., a company which contracted to perform maintenance and repairs for the Arrowhead Lakes Condominiums Homeowners' Association. These activities do not require a real estate license.

Westpac is the developer of Arrowhead Lakes and maintains an on-site office to actively market available units.

At all times material to this matter, Banovac, as designated broker for Westpac, was responsible to ensure that persons conducting activities within the definition of real estate salesperson or broker on behalf of Westpac were currently and actively licensed.

On behalf of Westpac, and with Banovac's knowledge and consent, Trapp showed units in Arrowhead Lakes, distributed fliers to prospective purchasers and generally staffed the office when a licensed salesperson was unavailable.

Between October 1996 and February 1997, Trapp, through B&B Inns, was paid special compensation by Westpac for his participation in six transactions in Arrowhead Lakes.

When advised by the Department that a real estate license was required to conduct the activities described above, Trapp agreed to immediately cease and desist performing those activities.

On March 1, 1997, when B&B Inns had not provided a copy of a license to Westpac, Banovac advised Trapp by letter that no further special compensation would be paid to Trapp or B&B Inns.

VIOLATIONS: Banovac was responsible to ensure that persons acting as real estate salespersons or brokers on behalf of Westpac were licensed to do so, pursuant to A.R.S. § 32-2122(B). By employing Trapp to conduct activities requiring licensure while Trapp was not licensed to do so, Westpac, by and through Banovac, has violated the provisions of A.R.S. § 32-2153(A)(6).

Westpac, by and through Banovac, its designated broker, paid compensation to an unlicensed person for activities requiring a license, in violation of A.R.S. § 32-2153(A)(10).

Banovac has been the subject of a previous Consent Order with the Department (No. H-1472) entered in September 1992, and has complied with the terms ordered therein.

DISPOSITION: Respondents, jointly and severally, are assessed a civil penalty of \$2,000. Respondents shall not employ unlicensed salespersons, nor allow any unlicensed persons to perform activities requiring licensure.

H-1943

**John Fife Symington, III, and
The Symington Company
Phoenix**

DATE OF ORDER: March 20, 1998

FINDINGS OF FACT: In November 1983, the Department granted a real estate broker's license to Symington and the Symington Company. Symington is president of and designated broker for the Symington Company, a corporation licensed as a real estate broker. Both licenses expire November 30, 1999.

On June 13, 1996, an indictment was filed against Symington in U.S. District Court, for the District of Arizona, alleging violations of 18 U.S.C. §§ 1014, 1343, 1951, 152, 2(a) and 2(b).

On September 3, 1997, in U.S. District Court, a jury found Symington guilty of several counts of making false statements to financial institutions, in violation of Title 18, U.S.C. § 1014, and one count of wire fraud, in violation of Title 18, U.S.C. § 1343.

On February 2, 1998, the U.S. District Court entered judgement in the case, convicting Symington of the offense of False Statements to Financial Institutions, a class B felony, as charged in counts 10, 13, 14, 15 and 16 of the Superseding Indictment, and of the offense of Wire Fraud, a class D felony, as charged in Count 21 of the Superseding Indictment.

Pursuant to the Sentencing Order, Symington was restricted from engaging in real estate sales, real estate development or real estate leasing.

On February 13, 1998, Symington provided notice to the Department of his felony convictions and indicated his intent to voluntarily surrender his broker's license and the corporation's broker's license.

VIOLATIONS: Symington has been convicted of a felony within the meaning of A.R.S. § 32-2153(B)(2). Symington has been found guilty of conduct which constitutes fraud or dishonest dealings within the meaning of A.R.S. § 32-2153(B)(5).

DISPOSITION: The broker's licenses of John Fife Symington, III, and The Symington Company are revoked. Respondents, jointly and severally, are assessed a civil penalty in the amount of \$1,000.

H-1944

**Mark R. Tietge and
More Real Estate Services, L.L.C.
Phoenix**

DATE OF ORDER: April 1, 1998

FINDINGS OF FACT: Tietge was issued an original real estate broker's license in August 1995. That license expires August 31, 1999. At all times material to this matter, Tietge was designated broker of More Real Estate Services (MRES), a limited liability company licensed as a real estate broker, and was responsible to ensure that the company was currently and actively licensed.

MRES's real estate license expired on November 30, 1997. On February 25, 1998, Tietge submitted an application for renewal of MRES's real estate broker's license, disclosing that Respondents had earned commissions on transactions after expiration of MRES's license. Tietge provided documentation that showed that MRES had negotiated eight purchase contracts, none of which were written by Tietge, which produced commissions paid to or earned by MRES in the amount of \$4,770. In addition, MRES negoti-

ated 23 residential leases producing commissions of \$2,646.10 and obtained 24 listing agreements. Tietge attests that MRES did not renew its license on time because the renewal was overlooked by a staff member.

VIOLATIONS: MRES, by and through its licensed employees, provided real estate services for which a license is required after expiration of its license and while it was not properly licensed to do so, in violation of A.R.S. § 32-2122(B). MRES received compensation while its license was expired, in violation of A.R.S. §§ 32-2153(A)(10). MRES failed to pay the biennial license renewal fee

to the Department on or before the time specified, in violation of A.R.S. § 32-2153(A)(14). MRES engaged in the business of real estate without holding a current license, in violation of A.R.S. § 32-2153(B)(6).

Tietge failed to exercise reasonable supervision and control over the activities for which a license is required, in violation of A.R.S. § 32-(A)(21). He demonstrated negligence in performing any act for which a license is required by continuing to offer real estate services after MRES's license expired, in violation of A.R.S. § 32-2153(A)(22). Tietge and MRES disregarded or violated

provisions of Arizona Revised Statutes, Title 32, Chapter 20, within the meaning of A.R.S. § 32-2153(A)(3).

DISPOSITION: Tietge and MRES, jointly and severally, are assessed a civil penalty in the amount of \$500. Tietge shall take six hours of approved real estate continuing education as directed by the Department. Tietge and MRES shall offer to refund or not accept commissions which MRES earned after its license expired. MRES shall re-make or have ratified by the property owner each listing agreement executed during the unlicensed period, or shall release the owner from the agreement.

Licenses suspended for failure to attend contract writing class or broker audit clinic

The licenses of these salespersons were summarily suspended on the date indicated for failure to attend a contract writing class within 90 days of licensure as required by Commissioner's Rule R4-28-401(E):

Addison, Doug D.	February 5, 1998
Asher, George B.	February 5, 1998
Baculi, Bernice C.	February 5, 1998
Besinaiz, Haydee	February 5, 1998
Block, Deborah A.	February 5, 1998
Bradburn, Donald A.	February 5, 1998
Brookes, Patricia M.	February 5, 1998
Brown, Michael F.	February 5, 1998
Brown, Leon A. Jr.	February 5, 1998
Bruck, Larry Michael	February 5, 1998
Cathey, Cynthia Gail	February 5, 1998
Cochran, Tracey Ann	February 5, 1998
Connolly, Elizabeth A.	February 5, 1998
Cooper, Jennifer M.	February 5, 1998
Couch, Curtis Michael	February 5, 1998
Culpepper, Warren L.	February 5, 1998

Currell, Cydney; D.	February 5, 1998
Epps, Gary	February 5, 1998
Fanger, Kathy J.	February 5, 1998
Fields, Philip W.	February 5, 1998
Fretwell-Bruce, Beckie Lynn	February 5, 1998
Gellis, Judith A.	February 5, 1998
Golightly, John L.	February 5, 1998
Gorrell, Dennis W.	February 5, 1998
Hunt, Brady G.	February 5, 1998
La Rue, Edwin Ray	February 5, 1998
Lovell, Tracy L.	February 5, 1998
Luna, Jesse A.	February 5, 1998
Meister, Jeffrey C.	February 5, 1998
Miles, Deanna L.	February 5, 1998
Nassimos, Joseph C.	February 5, 1998
Pellerito, Justina M.	February 5, 1998
Pierson, Shonda L.	February 5, 1998
Prezzia-Smith, Vicki	February 5, 1998
Priebe, Debbie	February 5, 1998
Pullaro, Jim Paul	February 5, 1998
Repasi, Stephen	February 5, 1998
Sanderson, Sandra Lee	February 11, 1998

Schauf, Trisha Lee	February 5, 1998
Segerstrom, Gary L.	February 5, 1998
Shaw, Ruth A.	February 5, 1998
Sorensen, Kirk D.	February 5, 1998
Staggs, Renee C.	February 5, 1998
Stull, Andrew P.	February 5, 1998
Szymanski, Gergoary L.	February 11, 1998
Verkins, Meryl Rhea	February 5, 1998

The licenses of these real estate brokers were summarily suspended on the dates indicated for failure to attend a Broker Audit Clinic as required by A.R.S. § 32-2136:

Gilliam, Eric M.	March 12, 1998
Herd, Robert L.	December 5, 1997
MacFarlane, Michael L.	March 12, 1998
Schulz, Magrit	January 16, 1998

Information about who must attend a Broker Audit Clinic and the schedule of Clinics to be presented in Phoenix and Tucson for the remainder of 1998 may be found on page 4.

More than 4,000 continuing education courses currently approved for Arizona real estate licensees

The Department currently has approved more than 4,000 courses which may be taught by Arizona's 68 accredited real estate schools. More than 1,500 of these courses will be offered by schools during 1998, according to John Bechtold, Director of the Department's Education and Licensing Division. Of the 1,500 slated for presentation this year, 175 are designed specifically for licensees specializing in commercial real estate transactions.

The Department has approved more than 600 instructors to teach the courses.

Schools are located in the following communities:

Bullhead City
Bullhead/Mohave Valley Board of Realtors®
Northwestern School of Real Estate
Carefree
Carefree/Cave Creek Association of Realtors®
Coolidge
Central Arizona College

Flagstaff
Arizona Institute of Real Estate
Best School of Real Estate
Northern Arizona Board of Realtors®
Glendale
Glendale Community College
Glendale-West Maricopa Board of Realtors®
Wester College Lovett & Ford Schools, Inc
Holbrook
Northland Pioneer College
Kingman
Kingman/Golden Valley Board of Realtors®
Mohave Community College
Northwestern School of Real Estate
Lake Havasu City
Northwestern School of Real Estate
Lakeside
White Mountain Association of Realtors®
Mesa
Arizona School of Real Estate
Commercial Real Estate Institute, Inc.
Mesa Community College
Concepts Marketing & Training
Professional Institute of Real Estate
Southeast Valley Regional Association of Realtors®
Paradise Valley
Paradise Valley Community College
Payson
Central Arizona Board of Realtors®
Phoenix
Arizona Association of Realtors®

Bud Crawley Rea Estate School
Commercial Real Estate Institute, Inc.
C. David McVay Schools
Cecil Daniels Realcor
National Institute of Community Management
Phoenix Association of Realtors®
Phoenix College
Professional School of Real Estate
Realty Education Group of Arizona
Southwest Center for Business Law
Southwest School of Real Estate
Western College/Lovett & Ford Schools, Inc.
Prescott
Alpha Consultants
Mountain Oak Marketing
Prescott Academy of Real Estate
Yavapai College
Scottsdale
Arizona Risk Reduction Institute, Inc.
Arizona School of Real Estate
Commercial Real Estate & Investment School
Partners in Education, Inc.
Professional Institute of Real Estate
Proforming School of Real Estate
Scottsdale Association of Realtors®
Southwestern School of Real Estate
Sedona
Best School of Real Estate
Sedona/Verde Valley Board of Realtors®

Continued on page 10

Real estate bill stalled in Legislature

Senate Bill 1061, the "Real Estate Omnibus Bill," passed by the Senate with significant amendments by a 27-3 vote, is stalled in the House while the Legislature considers school capital finance legislation.

The bill is being held by the House Commerce Committee and the House Government Reform and State Rights Committee.

As passed by the Senate, the amendments would:

- Delete language specifying that information and documents obtained by the Department in the course of an investigation are deemed to be confidential while the investigation is pending.
- Remove language relating to conditional licenses.
- Specify that officers of a corporation, when dealing in their own property, are exempt from licensure if the person does not receive special consideration for services that would otherwise require licensure.
- Define the Department's use of an applicant's social security number or federal tax identification number to include other governmental uses.
- Eliminates the \$25 fee for the issuance of a certified license history.
- Increases the number of days a respondent has to appear and file a verified answer to a complaint, from within 10 days to 20 days of the date the Department issues a notice of charges filed against a person.
- Removes language expanding the Real Estate Recovery Fund to include membership camping brokers.
- Eliminates language relating to the organization and regulation of cemeteries.
- Requires all contracts for the sale of cemetery plots from a cemetery to clearly disclose that the contract covers only the described purchase of the cemetery property and interment rights and the designated goods and services associated with interment rights, as well as the policy of the cemetery regarding the cancellation of contracts.

- Reduces the filing fee for an amended cemetery plan from \$500 to \$250.
- Removes language associated with new fees for filing amended public reports and exemptions relating to the sale of membership camping contracts.
- Removes new definitions.
- Modifies the exemption from licensure status of a corporation and a limited liability company. (Amendment by the Committee of the Whole.)

Other bills of interest to real estate professionals are:

House Bill 2518

Would allow the use of electronic signatures (over the Internet) when filing documents with the State.

Senate Bill 1030

As it affects the Department of Real Estate, would prohibit the Department from requiring a license applicant or licensee to furnish the Department with a home address and telephone number if another (a business address and telephone number, for instance) is available.

Senate Bill 1150

Revises real estate statutes to include a statute of limitations for five years for any civil, criminal or other action that violates "laws and provisions" of the Department of Real Estate; redefines exemptions from licensure of persons representing a corporation or limited liability company; redefines "barrier" as the term is applied to subdivision statutes. Changes the "grace period" for renewal after license expiration from one year to six months and imposes a \$100/month penalty for late renewal.

Senate Bill 1331

Appropriates funds for the Arizona Department of Public Safety to establish an Internet sex-offender web site for the purpose of providing sex offender information to the public.

Senate Bill 1357

Creates a home inspector license, administered by the Registrar of Contractors Office, and subjects these licensees to the same regulations and standards as contractors.

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(602) 468-1414

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Customer Services 100
Education & Licensing 345
Subdivisions 400
Public Information Office 168

Division Fax Numbers

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Courses

Continued from page <None>

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Cochise Community College

Sun City

Sun City Association of Realtors®

Tempe

Arizona State University
BasicGold Seminars

Thatcher

Eastern Arizona Community College

Tucson

Brodsky School of Real Estate
Connie Haskins Seminars
Hogan School of Real Estate
Mary Lee Greason Seminars
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Yuma

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